



Fact Sheet #11

Watershed-Based Permitting Case Study: Final Permit

Neuse River Compliance Association

NPDES No. NCC000001

Watershed

Neuse River Basin

Permitting Authority

North Carolina Department of Environment and Natural
Resources, Division of Water Quality (NCDWQ)

Point of Contact

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Additional Information

h2o.enr.state.nc.us/nps/neuse.htm

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Background

- ◆ Neuse River Basin classified as Nutrient Sensitive Waters (NSW) due to long-term over-enrichment of its estuary, leading to the development of the Neuse River Basin NSW Management Strategy (Strategy).
- ◆ The stated goal of the Strategy is to reduce Total Nitrogen (TN) loads to the estuary by 30 percent by 2003.
- ◆ Under the NSW Management Strategy, the Wastewater Discharge Requirements rule establishes specific nutrient control requirements for the point source dischargers in the basin. Dischargers with permitted flows of 0.5 million gallons per day (MGD) or greater (accounting for 95% of the point source TN load) receive TN limits in their individual NPDES permits.
- ◆ Nutrient impacts also led to listing on 303(d) list and the development of total maximum daily loads (TMDLs), which the U.S. Environmental Protection Agency (EPA) Region 4 has approved.

Permit Type

- ◆ Individual watershed-based permit with multiple co-permittees.

Permitting Strategy

- ◆ The Wastewater Discharge Requirements rule established under the NSW Management Strategy allows point source dischargers within the basin to form a compliance association to work collectively to meet their combined TN wasteload allocation of 1.64 million pound TN per year. Membership in an association is voluntary.
- ◆ The Neuse River Compliance Association (NRCA), a non-profit comprised of public and private entities in the basin that hold individual NPDES permits, functions as the compliance association described under the Wastewater Discharge Requirements rule.
- ◆ Dischargers participating in the NRCA are subject to TN limits in a group compliance NPDES permit, rather than those in their individual NPDES permits.
- ◆ The NRCA serves as the point of contact between NCDENR and its co-permittee members on issues related to the group permit.

Permit Overview

- ◆ Requirements in an association's permit supplement the requirements contained in each member's individual permit.

- ◆ An association permit governs only TN. The requirements under each individual permit remain in effect for all other parameters of concern. The compliance permit only replaces requirements of an individual permit where specifically stated.

Permit Limits

- Each co-permittee member has an estuary TN allocation and (due to transport effects) a corresponding discharge allocation. Similarly, actual loads can be specified as estuary or discharge loads.
- The Association's TN limit for a given calendar year is equal its TN allocation. This overall TN allocation is the sum of all TN allocations for members of the NRCA (listed in Appendix A of the permit).
- TN allocations of co-permittee members may change due to purchases, sales, trades, leases and other transactions among NRCA members, impacting the Association's TN allocation.
- Membership in the NRCA may change, impacting the Association's overall TN allocation.
- If a co-permittee member's membership in the NRCA is terminated, coverage under the group compliance permit terminates and the member is subject to the TN limitation in its individual NPDES permit.
- Changes in membership, and thus to the TN allocation, become effective at the beginning of the calendar year.

Compliance

- If the NRCA complies with its TN limit for the year, the Association and its co-permittee members are, by definition, in compliance with the TN limits in its permit.
- If the NRCA exceeds its TN limit, the Association is out of compliance and any co-permittee member that exceeds its individual TN limit in Appendix A of the permit is also out of compliance and subject to enforcement action.

Monitoring Requirement

- Members of the NRCA monitor discharges and report results to NCDWQ as specified in their individual permits.
- The NRCA compiles and submits co-permittee members' TN monitoring results for its own reporting purposes.
- The group compliance permit does not require instream monitoring. Each co-permittee member does have instream monitoring requirements in their individual NPDES permits, conducted for most by the Lower Neuse Basin Association, a coalition of dischargers established for this purpose.

Reporting Requirements

- The NRCA serves as the primary point of contact between the co-permittee members and NCDWQ, including preparation and submission of information such as reports and requests for modification or renewal of the group compliance permit.
- Under the permit, the NRCA must submit three types of reports: a mid-year report, a year-end report, and a five-year report.
 - The mid-year report contains a Discharge Monitoring Report (for informational purposes only) of each co-permittee member's discharge and estuary TN loads and the overall Association's estuary TN load, and states planned changes in membership or TN allocations to become effective for the ensuing calendar year.
 - The year-end report summarizes discharges for the NRCA and each co-permittee member, as well as transactions made during the previous calendar year that affect TN allocations.

- The five-year report provides a full accounting of membership and allocation changes for the previous five years. Its purpose is to ensure that the NRCA and NCDWQ agrees on the Association and individual allocations at the end of the permit term.

Special Conditions

- Any year in which the NRCA exceeds its TN allocation, the permit requires the NRCA to make payments to the Wetlands Restoration Fund in support of stream and wetlands restoration projects that will offset the excess nitrogen load to the estuary.

Measures of Success

NCDWQ may use the following as measures of success for the group compliance approach:

- ◆ Demonstrated feasibility of the group compliance concept and market-driven approach to TN reduction.
 - ◆ Highlighted strengths and weaknesses of this approach, as well as possible improvements.
 - ◆ Fostered cooperation of the members toward its environmental goal with the possibility of extending this cooperation to other endeavors and goals.
 - ◆ Demonstrated cost-effective approach for reducing TN loads.
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